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RETAIL ATTRACTION & EXPANSION FUND GUIDELINES

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PROGRAM OVERVIEW

Program Description

As part of the City of College Park's ("City") effort to attract high-quality commercial tenants and fill vacant retail spaces, the Retail Attraction & Expansion Fund reimburses qualified new or expanding businesses for their leasehold improvements or build-out. Applicants are eligible for a matching grant, not to exceed \$25,000, for a maximum 50 percent of the total improvement costs.

The program is administered by the City and operates on a reimbursement basis. All payments to professionals, City and County departments, and contractors are the full responsibility of the applicant. The City will verify actual costs incurred by the grantee prior to reimbursement. Reimbursement will only take place after any necessary Use and Occupancy permit has been issued by Prince George's County and Non-Residential Occupancy permit has been issued by the City.

The program application identifies the conditions, covenants, and responsibilities for the grant and must be signed by all required applicants. The general rules, guidelines, grant terms and conditions, and process are described below. Award of the grant is entirely within the discretion of the City.

Program Area

Application for a grant under the Retail Attraction & Expansion Fund is open to all legally existing commercial buildings within the City municipal boundaries.

ELIGIBILITY REQUIREMENTS

To secure a compelling mix of retail and restaurant businesses in College Park, certain business types are eligible for this program. Generally, an appropriate business for the Retail Attraction & Expansion Fund is one of the target business types identified in studies and surveys conducted by the City. These businesses will promote an inviting, vibrant environment and fill a

void in the current retail scene. The following table identifies the types of businesses that are eligible and businesses that are not eligible for the program.

Eligible Business Type	Non-Eligible Business Type
Apparel/Shoe store (<i>such as boutique or non-discount</i>)	Automotive business
Bakery	Bank/Check cashing
Coffee shop	Convenience/Liquor store
Entertainment (<i>such as a music venue or theater</i>)	Dollar store
Full service/Fine dining restaurant	Dry cleaner
Gourmet food shop	Phone service retailer
Grocery store	Professional services (<i>such as office or hair/nail salon</i>)
Health club/Yoga studio	Fast food or drive-thru restaurant

Applicants must meet the following criteria in order to be eligible for the Program:

- The business is at least 50% locally-owned, with “local” defined as the Baltimore-Washington metropolitan area and is not part of a national franchise.
- Decision-making authority in the business is vested in the local owners not subject to conditions dictated remotely.
- The business has no more than 20 outlets, with a maximum of 5 of those outlets outside the Baltimore-Washington metropolitan area.
- Applicants must be the lessee or owner of an eligible building or space.
- An applicant who is not the owner of the building or space must possess a fully executed lease with a minimum of three (3) years remaining in the term from the submittal date of the completed and signed program application.
- Improvements are proposed for a new business or one that is expanding its physical size by at least 1,000 square feet.
- The applicant and the building in which the improvements will be made must be in good standing with the City in order to receive grant funds. This requirement is waived only in the case that the proposed improvements would also resolve outstanding code violations.

APPLICATION PROCESS

1. Applicant is required to attend a preliminary meeting with the City's Economic Development Coordinator (EDC) to review program criteria.
2. Applicant will prepare and submit the City application and the documentation required in the Section 1 of the Submittal Requirements to the City's EDC for review. Additionally, the applicant shall schedule a preliminary walkthrough of the subject building with the EDC to discuss planned improvements.
3. The City's EDC will review these documents and make an initial determination of whether the application meets the eligibility requirements.
4. The applicant will be notified whether the application is accepted for further review. If the application is accepted for further review, the applicant shall submit the required financial documents in accordance with Section 2 of the Submittal Requirements. Additionally, the applicant shall attend a minimum of three business counseling sessions with the Maryland Small Business Technology and Development Center (the "SBTDC"). The SBDTC will provide written proof that the applicant has attended a minimum of three business counseling sessions.
5. The City will review the financial documents. An application cannot be approved without this assessment.
6. The applicant will be notified whether the application is accepted for further review. If the application is accepted for further review, the applicant shall submit the required pre-construction documents in accordance with Section 3 of the Submittal Requirements.
7. Upon review and acceptance of the pre-construction documents a notice of decision will be sent to the applicant allowing work to proceed.
8. Upon completion of the improvements, the applicant shall schedule a final walkthrough with the EDC to inspect the completed improvements. Additionally, the applicant shall submit the documents required in Section 4 of the Submittal Requirements prior to the disbursement of grant funds.

SUBMITTAL REQUIREMENTS

1. Preliminary Submittal

- Completed and signed application form.
- Copy of executed lease for a business operating in rented premises. If an executed lease is not completed at the time of application, applicant must provide an executed letter of intent. However, prior to receiving reimbursement under the grant, the applicant must provide an executed lease. The lease must be for a minimum of three (3) years.
- Description of business, at minimum:
 - Products or services offered

- Key management members and their roles
- Proof of locally-owned status, as evidenced by organizational documents.
- Written consent of property owner if applicant does not own property.
- List of all improvements that will be made and a cost estimate for each.
- Estimated development/construction schedule
- Preliminary site plan for space

2. *Financial Submittal**

- A breakdown of the sources and uses of funds for the construction of the project. Must include proof of funding source, e.g. bank approval of loan for costs that must be covered by the applicant for the improvements.
- Detailed information on employment history and performance for the business owner and manager.
- Business plan
- Three (3) years of business income tax returns and three (3) years of personal tax returns for all business partners.
- Credit report for all individuals involved in the business.
- Plans for marketing and growth.

3. *Pre-Construction Submittal*

- Copy of any construction plans and drawings.
- Copies of agreements with contractors, if applicable.

4. *Closeout Submittal*

- Proof of any required inspections, permits and approvals from the County and/or the City.
- Receipt, review and acceptance of all invoices or other evidence of payment for improvements and any other supporting records required by the City.
- Completed W-9 form.

* The Financial Documents and any other documents that the applicant claims as confidential must be so marked and submitted in a separate sealed envelope for confidentiality purposes. These items will be reviewed by the City and returned to the applicant upon completion of the review process. In the event that, pursuant to the Maryland Public Information Act or other process, the City receives a request for information that has been marked confidential by applicant, and the City agrees that the information may be exempt from disclosure under Maryland law, then the City will not disclose the information and will notify the applicant of the request.

EVALUATION OF APPLICATIONS

Applications will be approved on a first come, first served basis. Grant funds will be set aside for an applicant once they provide all documentation required in Section 1 of the Submittal Requirements, with the following constraints:

- After the initial review by the City, the applicant shall provide all documentation required in Section 2 of the Submittal Requirements within 30 calendar days of notification from the City.
- After the financial review by the City, the applicant shall provide all documentation required in Section 3 of the Submittal Requirements within 45 calendar days of notification from the City.

If the applicant fails to meet any of these requirements the City may reallocate grant funds to another applicant.

ELIGIBLE COSTS

Eligible Improvements

The program is intended to fund improvements that are affixed to the property, and therefore will not cover the cost of purchasing or installing non-fixed equipment or inventory. Generally acceptable improvements include, but are not necessarily limited to, the following repairs/replacement/upgrades:

- Bar/cash wrap
- Dry wall
- Electrical
- Flooring
- Green initiatives (low flow toilets, energy efficient lighting, etc.)
- HVAC/mechanical
- Interior demolition
- Lighting
- Painting
- Plumbing
- Windows/doors

In addition to the preceding limitations, the following terms apply to the eligible improvements:

- The City reserves the right to require certain minimum improvements as part of the program. For example, façade repainting may be required as a minimum improvement.
- All improvements must comply with all City and County building codes.
- All improvements must obtain required construction-related permits.

- Applicant is not to begin any improvements to the property before the grant is approved by the City. Improvement costs incurred prior to the grant award will not be eligible for reimbursement.
- Costs associated with detailed construction drawings, conceptual design, renderings and cost estimates are not eligible for reimbursement.

Other Eligible Costs

- All construction-related permit fees lawfully required for the tenant improvements shall be paid by applicant and considered eligible costs.
- Any modifications to the interior or exterior of the building that are required by the City.
- Labor and materials related to the eligible improvements. Receipts must be provided for all materials to be considered an eligible cost.

GRANT TERMS

Subject to the availability of funding, applicants are eligible for a matching grant, not to exceed \$25,000, for a maximum 50 percent of the total improvement costs.

During construction, a grant program sign provided by the City must be posted in the applicant's storefront from the start of construction until at least 10 days after completion of the improvements.

Contractors must be licensed and insured to do business in the State of Maryland. Applicant is responsible for selecting a qualified contractor and executing the corresponding construction agreement.

Reimbursement of eligible costs is subject to continued grant funding. All work for which applicant requests reimbursement must be completed within 120 days of approval of the application, and in any event by April 1, 2015. The City may extend the 120 day period for good cause.

Grant funds will be disbursed directly to the applicant upon the following:

- Proof of any required inspections and approvals from Prince George's County and/or the City.
- Receipt, review and acceptance of all invoices and copies of cancelled checks or other evidence of payment for improvements and any other supporting records required by the City.
- If required, issuance of a Use and Occupancy permit by Prince George's County and a Non-Residential Occupancy permit by the City.

A grant under this program for the same physical space may be awarded only once in every five (5) years, unless a compelling justification is established and approved by the City, at its sole discretion.

MAINTENANCE OBLIGATION

Applicant shall maintain the improvements to the property in good condition and in accordance with all applicable building codes. The City has the right to inspect the condition of the property from time to time with three (3) business days notice to the property owner.

Conditions that constitute a failure to maintain the property in good condition include, but are not limited to, peeling paint, chipped surfaces, broken windows, covered transoms or window spaces, boarded windows, excessive bird droppings or debris, graffiti and illegal or nonconforming signage, obstructed windows and conditions for which code violation notices or citations are issued.

At any time during five (5) years from the date of funding, that the City determines the improvements have not been maintained in good condition, the City will notify the business owner and/or the property owner in writing of any deficiencies and provide 30 days for corrective actions to be taken. Failure to maintain improvements or take corrective action of maintenance concerns will result in ineligibility of award for future grants or loan-to-grants to that individual or corporation.